LAWA
LOS ANGELES WORLD AIRPORTS

Report to the
BOARD OF AIRPORT COMMISSIONERS
Meeting Date: 9/23/2026

24
Item No.

Approved by:	**Jean-Pierre Tabet** Deputy Executive Director Commercial Development	
ITEM TYPE	☐ Award ☒ Amendment ☐ Appropriation ☐ Policy/Program ☐ Other	
SUBJECT	Request to adopt the following report and approve the Fourth Amendment to the Terminal Facilities Lease and License Agreement with Air Canada (LAA-8965) to extend the term to June 30, 2035, for space in Terminal 6 at Los Angeles International Airport.	

☒ Item REQUIRES City Council Approval. ☐ Item is subject only to STANDARD REVIEW by the City Council.

DISCUSSION

1. Background and Necessity of Requested Action

04-06-2017	**Resolution #26206** (LAA-8965)	**New Lease**
Approved a Terminal Facility Lease and License Agreement with Air Canada to facilitate the airline's relocation from Terminal 2 to Terminal 6 at Los Angeles International Airport (LAX).		
04-25-2020	**Resolution #26996** (LAA-8965A)	**Deferral of Rent**
Approved a Letter Agreement for a deferral of the payment of terminal rental, terminal use, and airfield fee under Non-Exclusive Air Carrier Operating Permits, and all Terminal Lease and License Agreements, due in the months of April and May 2020, and further approved a suspension of all gate utilization calculations and/or requirements in the Terminal Lease and License Agreements during the months of April and May 2020.		
06-17-2021	**Resolution #27282** (LAA-8965B)	**Lease Amendment**
Approved the Second Amendment to Terminal Facility Lease and License Agreement with Air Canada to extend the term by two years to cover space in Terminal 6 at LAX.		
06-15-2023	**Resolution #27760** (LAA-8965C)	**Transfer of Title**
Approved the Third Amendment to the Terminal Facilities Lease and License Agreement with Air Canada to provide rent credits, not to exceed $154,000, for costs associated with the use of the baggage system by common use airlines located in Terminal 6 at LAX; added language to update the lease provisions that govern the use of preferential use gates; and extended the term of the lease by four and a half years, from June 30, 2023, to December 31, 2027.		

Air Canada has occupied space in Terminal 6 pursuant to LAA-8965 as amended (Lease) since April 26, 2017. Air Canada occupies approximately 22,500 square feet of space and operates on 2 Preferential Use Gates in the demised premises. The Lease will expire on December 31, 2027.

In June 2023, the Board of Airport Commissioners approved a revised methodology for the calculation of rates and charges for the use of all terminal space and equipment at LAX. Air Canada signed the new rate agreement, which extends through June 2035. Therefore, Los Angeles World Airports (LAWA) is extending all airline leases through June 30, 2035, to be coterminous with the term of the rate agreement.

In consultation with airlines, LAWA developed a new Gate Use Protocol (GUP), which was incorporated in LAWA's LAX Airport Rules and Regulations in June 2025. The new GUP creates a single policy that balances operational needs with comprehensive gate assignment and usage policies and governs the Minimum Use Requirements (MUR) for Preferential Use Gates leased to airlines, including Air Canada. All airline leases are being amended to include the new GUP.

In addition, LAWA may occasionally require common-use airlines to operate on Preferential Use Gates that are leased to specific airlines. For LAWA to bill the common-use airlines in a manner consistent with the rates charged for all common-use gates at LAX, LAWA must provide rent credits to the leasing airline for the costs associated with the common-use airlines' use of the other airlines' leased equipment. All airline leases are being amended to include the methodology for calculating and issuing appropriate rent credits should a common-use airline use the Preferential Use Gate of another airline.

The proposed amendment will extend the term from December 31, 2027, to June 30, 2035, to align the expiration of the Lease with the LAX Rate Agreement, update the terms to reflect the new airport-wide GUP, and establish rent credits to compensate Air Canada if common-use airlines use Air Canada's Preferential Use Gates.

If this amendment is not approved, it will delay implementation of the airport-wide GUP.

2. **Selection Process:** ☐ Competitive process. ☐ Other process. ☒ Not applicable.

3. **Fiscal Impact:** ☐ None. ☒ Revenue generation. ☐ Cost/cost recovery. ☐ Other.

   Approval of the proposed amendment will ensure continued revenue to LAWA estimated at approximately $8.7 million for the current fiscal year under this agreement.

4. **Alternative Actions:** ☐ Alternatives considered. ☒ No alternatives considered.

APPROPRIATIONS

☐ Appropriation required. ☒ No appropriation required. ☐ Funding is available.

INCLUSIVITY & IMPACT

☐ Goals/requirements identified. ☐ No goals/requirements stipulated. ☒ N/A or other.

PROVISIONS

The Chief Executive Officer has approved this item.

The Board of Airport Commissioners is hereby requested to adopt staff's determination that the requested action, as a continuing administrative, maintenance, and personnel-related activity, is exempt from the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.f of the Los Angeles City CEQA Guidelines.

The Board is hereby further requested to authorize the Chief Executive Officer, or designee, to execute said Fourth Amendment to LAA-8965 with Air Canada subject to approval by the Los Angeles City Council and approval as to form by the City Attorney.

Actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 606.